

Zug, June 23 2024

## FINMA adjustments regarding mutation processes as of July 01, 2024

Ladies and Gentlemen

FINMA has announced its updated practice and expectations regarding mutation processes for portfolio managers and trustees. The adjustments relate in particular to mutations requiring authorization, i.e. mutations to be submitted via FINMA's electronic data collection platform (EHP). However, the adjustments also affect mutations that previously only had to be submitted to the supervisory organizations without any inclusion of the EHP and/or FINMA (so-called notifiable mutations). All supervisory organizations and the financial institutions they supervise must comply to all these changes from July 01 2024. FINcontrol Suisse Ltd has compiled a selection of the most important adjustments regarding the handling of mutation applications for you below.

### Adjustments of a substantive nature:

- Personnel changes of managers or deputies in the areas of compliance, risk management and internal control must now always be submitted as a mutation request via the EHP. This applies regardless of whether the persons concerned are employed by the financial institution (internal) or mandated by the financial institution (external). Previously, internal personnel changes qualified as notifiable mutations and only had to be reported to the respective supervisory organization. From July 01, 2024, FINcontrol must reject notifications concerning personal changes in the areas of compliance, risk management and internal control received in error via the client portal.
- Changing the supervisory organization is still a mutation requiring approval, to which FINMA will attach numerous conditions from 1 July 2024 in the interests of standardization, in particular
  - Changing the supervisory organization is now possible at the end of each calendar year. The corresponding mutation request should be submitted as early as possible, but no later than mid-November.
  - The financial institution must authorize its current supervisory organization to pass on information to the new supervisory organization and must submit the last two audit reports to the new supervisory organization.
  - The new supervisory organization must carry out a full supervisory audit within the first six months of its supervision, regardless of whether the financial institution would be in an audit-free year from the perspective of the previous supervisory organization due to a multi-year audit cycle, or whether the previous supervisory organization would have planned a supervisory audit in the following year - and in this respect also regardless of

how many audits already carried out have turned out. Ongoing measures as described below remain reserved.

- Changing the supervisory organization during ongoing supervisory measures of the current supervisory organization or FINMA is not admissible. Ongoing supervisory measures do not include the coordination of appointments for an ordinary supervisory audit at the previous supervisory organization.

#### Adjustments of a procedural nature

- The adjustments also include changes to the interactive mutation forms on the EHP. The new mutation forms will be available from July 01, 2024 at the latest and must be used when submitting a mutation application. Mutation applications that are still prepared on old versions of said forms must be submitted by August 31, 2024 at the latest. If a mutation application with old form versions is received by FINMA after this deadline, experience has shown that the application will be rejected and must be resubmitted using the current form. We therefore recommend using the new form versions (these can be found in the EHP with the date) for every mutation application from July 01, 2024 in order to avoid any costs associated with resubmission.
- FINMA will now address any queries regarding mutation applications submitted to FINMA to the responsible supervisory organizations and no longer directly to the financial institutions. From July 01, 2024, FINcontrol Suisse Ltd will therefore address any queries from FINMA regarding mutation applications that have been finally pre-checked by FINcontrol Suisse Ltd to the financial institutions concerned and forward the information received to FINMA.
- Mutations subject to authorization may include circumstances that still have to be reported to FINcontrol via the client portal as a notifiable mutation. This duplication is necessary in the relevant case constellation, as circumstances requiring notifiable mutations must be consolidated by the supervisory organizations and reported separately to FINMA. For example, a merger (mutation application on EHP) may result in a move within the same municipality. Even if the change of address has been reported to FINMA and the supervisory organization as part of the merger on EHP, the financial institution must submit a separate, notifiable mutation to supervisory organization.

FINcontrol Suisse Ltd will shortly publish an updated version of its guideline on mutations on its website. You will be informed about the publication via newsletter. As before, we will be happy to assist you at any time via our usual channels (e-mail, telephone) in the event of any uncertainties regarding mutations.

FINcontrol Suisse Ltd will hold an information event in July 2024 at which we will discuss the aforementioned changes. You will be informed of the date and time of this event via newsletter.

Kind regards,

FINcontrol Suisse Ltd